

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 699 – HB 744

April 15, 2015

SUMMARY OF ORIGINAL BILL: Prohibits any person, upon a third or subsequent conviction for DUI, from purchasing alcoholic beverages. Any court in which a conviction for an offender's third or subsequent DUI occurs will be required to forward a copy of the conviction to the Department of Safety. When the department issues a photo ID license or driver license to a person for whom the department has received notice of a third or subsequent conviction for DUI, the department will be required to imprint the person's license with the words "NO ALCOHOL SALES." The cost of issuing the specially designated licenses will be paid by the offenders in the form of an issuance fee that the department will establish by rule.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - Exceeds \$10,800/FY15-16 and beyond

Increase State Expenditures - Exceeds \$90,000/One-Time

SUMMARY OF AMENDMENTS (006596, 004317): Amendment 004317 deletes and rewrites the bill such that the substantive changes are the addition of the following provisions: (1) mandates all alcohol restrictions must stem from alcohol related offenses; (2) states that alcohol prohibition may be between five and fifteen years on third related offense; (3) establishes criteria a judge must consider when issuing alcohol prohibition; and (4) states alcohol prohibition may be between ten and thirty years on fourth related offense.

Amendment 006596 mandates a \$12 fee to be charged for the replacement card.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue - \$10,800/FY15-16 and Subsequent Years

Increase State Expenditures - Exceeds \$90,000/One-Time

Assumptions for the bill as amended:

- The Alcoholic Beverage Commission confirms this bill will have no fiscal impact on departmental operations.
- Any impact to retail sales of alcohol is considered not significant.
- The County Technical Advisory Service (CTAS) confirms this bill will have no fiscal impact on local operations.

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- The Department of Safety (DOS) will incur expenses to develop, manufacture, and issue new license cards with the imprinted words "NO ALCOHOL SALES." Based on information provided by the department, the one-time increase in state expenditures is reasonably estimated to exceed \$90,000.
- Based on information provided by DOS, an estimated 900 third or subsequent DUI convictions are estimated each year.
- DOS will charge \$12 per license to cover the expenses incurred in the bill. The estimated additional revenue from 900 "NO ALCOHOL SALES" ID cards/driver's licenses each year is \$10,800 (900 x \$12 per card).
- Revenue collected from this additional license fee beyond the initial ten (10) year cost recovery period is assumed to cover any on-going costs related to the program such as maintaining, updating, or replacing the equipment and supplies necessary to issue these specially marked licenses.
- FY15-16 and beyond, DOS's established fee system will offset any expenditures related to the bill.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Spalding" clearly legible.

Jeffrey L. Spalding, Executive Director

/dwl